

South Dakota Retirement System

Fiscal Year 2025 Budget Brief Detail

Information contained in this document is based on the Governor's FY2025 Budget and may not correspond with the final budget adopted by the Legislature.

Major Items Summary - South Dakota Retirement System

	Agency Request					Governor's Recommendation				
	General	Federal	Other	Total	FTE	General	Federal	Other	Total	FTE
FY 2025 Base Budget	\$0	\$0	\$5,703,954	\$5,703,954	33.0	\$0	\$0	\$5,703,954	\$5,703,954	33.0
1. Auditor FTE	\$0	\$0	\$87,108	\$87,108	1.0	\$0	\$0	\$87,480	\$87,480	1.0
2. Contract Inflation	\$0	\$0	\$7,801	\$7,801	0.0	\$0	\$0	\$7,801	\$7,801	0.0
3. External Actuarial Review Contract Inflation	\$0	\$0	\$10,000	\$10,000	0.0	\$0	\$0	\$10,000	\$10,000	0.0
4. External Benchmarking firm contract inflation	\$0	\$0	\$10,000	\$10,000	0.0	\$0	\$0	\$10,000	\$10,000	0.0
5. Legal Services Contract Inflation	\$0	\$0	\$50,000	\$50,000	0.0	\$0	\$0	\$50,000	\$50,000	0.0
6. Manager Succession Planning FTEs	\$0	\$0	\$316,392	\$316,392	2.0	\$0	\$0	\$144,462	\$144,462	1.0
7. Postage	\$0	\$0	\$10,000	\$10,000	0.0	\$0	\$0	\$10,000	\$10,000	0.0
8. Publishing and printing	\$0	\$0	\$5,000	\$5,000	0.0	\$0	\$0	\$5,000	\$5,000	0.0
9. Software licenses	\$0	\$0	\$12,000	\$12,000	0.0	\$0	\$0	\$12,000	\$12,000	0.0
10. Utility Cost Adjustment	\$0	\$0	\$1,500	\$1,500	0.0	\$0	\$0	\$1,500	\$1,500	0.0
FY 2025 Total Budget	\$0	\$0	\$6,213,755	\$6,213,755	36.0	\$0	\$0	\$6,042,197	\$6,042,197	35.0
Change from Base Budget	\$0	\$0	\$509,801	\$509,801	3.0	\$0	\$0	\$338,243	\$338,243	2.0
% Change from Base Budget	0.0%	0.0%	8.9%	8.9%	9.1%	0.0%	0.0%	5.9%	5.9%	6.1%

South Dakota Retirement System Budget Request

By Fund Category	FY 2022 Actual	FY 2023 Actual	FY 2023 Budget Revised	FY 2024 Budget	FY 2025 Agency Request	FY 2025 Governors Recommended	Change From FY2024
General	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Federal	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other	\$4,547,806	\$4,912,556	\$5,319,012	\$5,703,954	\$6,213,755	\$6,042,197	\$338,243
Total	\$4,547,806	\$4,912,556	\$5,319,012	\$5,703,954	\$6,213,755	\$6,042,197	\$338,243

By Program	FY 2022 Actual	FY 2023 Actual	FY 2023 Budget Revised	FY 2024 Budget	FY 2025 Agency Request	FY 2025 Governors Recommended	Change From FY2024
South Dakota Retirement System	\$4,547,806	\$4,912,556	\$5,319,012	\$5,703,954	\$6,213,755	\$6,042,197	\$338,243
Total	\$4,547,806	\$4,912,556	\$5,319,012	\$5,703,954	\$6,213,755	\$6,042,197	\$338,243
By Object Expenditure	FY 2022 Actual	FY 2023 Actual	FY 2023 Budget Revised	FY 2024 Budget	FY 2025 Agency Request	FY 2025 Governors Recommended	Change From FY2024
Personnel Costs	\$2,735,018	\$3,030,654	\$3,131,330	\$3,499,426	\$3,899,426	\$3,729,034	\$229,608
Salaries	\$2,179,681	\$2,396,009	\$2,455,666	\$2,724,357	\$3,045,957	\$2,905,494	\$181,137
Benefits	\$555,336	\$634,645	\$675,664	\$775,069	\$853,469	\$823,540	\$48,471
Operating Expenditures	FY 2022 Actual	FY 2023 Actual	FY 2023 Budget Revised	FY 2024 Budget	FY 2025 Agency Request	FY 2025 Governors Recommended	Change From FY2024
	\$1,812,788	\$1,881,902	\$2,187,682	\$2,204,528	\$2,314,329	\$2,313,163	\$108,635
Travel	\$61,740	\$61,465	\$101,539	\$101,539	\$101,539	\$101,539	\$0
Contractual Services	\$1,377,568	\$1,436,700	\$1,691,643	\$1,729,489	\$1,820,790	\$1,820,790	\$91,301
Supplies	\$348,645	\$325,189	\$355,000	\$355,000	\$370,000	\$370,000	\$15,000
Capital Outlay	\$24,835	\$58,548	\$39,500	\$18,500	\$22,000	\$20,834	\$2,334
Total	\$4,547,806	\$4,912,556	\$5,319,012	\$5,703,954	\$6,213,755	\$6,042,197	\$338,243
Full-Time Equivalent (FTE)	31.42	32.39	33.0	33.0	36.0	35.0	2.0

Reversions and Unutilized FTE (25)

	General	Federal	Other
Original Appropriation FY2023	\$0	\$0	\$5,084,786
Pool Distributions	\$0	\$0	\$179,495
Supplemental Changes	\$0	\$0	\$54,731
Agency Adjustments	\$0	\$0	\$0
Transfers	\$0	\$0	\$0
Reorganizations	\$0	\$0	\$0
Adjusted Appropriation FY2023	\$0	\$0	\$5,319,012
FY2023 Expenditures	\$0	\$0	\$4,912,556
Reversion of Authority	\$0	\$0	\$406,456
Unutilized FTE			0.6

South Dakota Retirement System (2501)

To responsibly manage a financially sustainable system within fixed resources and prepare our members for retirement.

Major Items Summary: South Dakota Retirement System (2501)

	Agency Request					Governor's Recommendation				
	General	Federal	Other	Total	FTE	General	Federal	Other	Total	FTE
FY 2025 Base Budget	\$0	\$0	\$5,703,954	\$5,703,954	33.0	\$0	\$0	\$5,703,954	\$5,703,954	33.0
1. Auditor FTE	\$0	\$0	\$87,108	\$87,108	1.0	\$0	\$0	\$87,480	\$87,480	1.0
2. Contract Inflation	\$0	\$0	\$7,801	\$7,801	0.0	\$0	\$0	\$7,801	\$7,801	0.0
3. External Actuarial Review Contract Inflation	\$0	\$0	\$10,000	\$10,000	0.0	\$0	\$0	\$10,000	\$10,000	0.0
4. External Benchmarking firm contract inflation	\$0	\$0	\$10,000	\$10,000	0.0	\$0	\$0	\$10,000	\$10,000	0.0
5. Legal Services Contract Inflation	\$0	\$0	\$50,000	\$50,000	0.0	\$0	\$0	\$50,000	\$50,000	0.0
6. Manager Succession Planning FTEs	\$0	\$0	\$316,392	\$316,392	2.0	\$0	\$0	\$144,462	\$144,462	1.0
7. Postage	\$0	\$0	\$10,000	\$10,000	0.0	\$0	\$0	\$10,000	\$10,000	0.0
8. Publishing and printing	\$0	\$0	\$5,000	\$5,000	0.0	\$0	\$0	\$5,000	\$5,000	0.0
9. Software licenses	\$0	\$0	\$12,000	\$12,000	0.0	\$0	\$0	\$12,000	\$12,000	0.0
10. Utility Cost Adjustment	\$0	\$0	\$1,500	\$1,500	0.0	\$0	\$0	\$1,500	\$1,500	0.0
FY 2025 Total Budget	\$0	\$0	\$6,213,755	\$6,213,755	36.0	\$0	\$0	\$6,042,197	\$6,042,197	35.0
Change from Base Budget	\$0	\$0	\$509,801	\$509,801	3.0	\$0	\$0	\$338,243	\$338,243	2.0
% Change from Base Budget	0.0%	0.0%	8.9%	8.9%	9.1%	0.0%	0.0%	5.9%	5.9%	6.1%

1. Auditor FTE

	General	Federal	Other	Total	FTE
Agency Request	\$0	\$0	\$87,108	\$87,108	1.00
Governor's Recommendation	\$0	\$0	\$87,480	\$87,480	1.00

The agency requests an increase of **\$87,108** in **other fund** expenditure authority and an increase of **1.0** FTE for an additional auditor. The workload has increased as membership has increased, and several new features have been added to the plan, so the scope of auditing has expanded.

*The governor recommends an increase of **\$87,480** in **other fund** expenditure authority and an increase of **1.0** FTE.*

2. Contract Inflation

	General	Federal	Other	Total	FTE
Agency Request	\$0	\$0	\$7,801	\$7,801	0.00
Governor's Recommendation	\$0	\$0	\$7,801	\$7,801	0.00

The agency requests an increase of **\$7,801** in **other fund** expenditure authority for increases in the cost of external auditing services as well as janitorial services.
The governor recommends this request.

3. External Actuarial Review Contract Inflation

	General	Federal	Other	Total	FTE
Agency Request	\$0	\$0	\$10,000	\$10,000	0.00
Governor's Recommendation	\$0	\$0	\$10,000	\$10,000	0.00

The agency requests an increase of **\$10,000** in **other fund** expenditure authority for increased costs of external actuarial review. Actuarial standards require an independent review by an outside actuarial consulting firm.
The governor recommends this request.

4. External Benchmarking firm contract inflation

	General	Federal	Other	Total	FTE
Agency Request	\$0	\$0	\$10,000	\$10,000	0.00
Governor's Recommendation	\$0	\$0	\$10,000	\$10,000	0.00

The agency requests an increase of **\$10,000** in **other fund** expenditure authority for inflated costs of contracting with CEM Benchmarking. SDRS utilizes an outside firm that compares data of administrative costs and quality of service for SDRS relative to other pension plans.
The governor recommends this request.

5. Legal Services Contract Inflation

	General	Federal	Other	Total	FTE
Agency Request	\$0	\$0	\$50,000	\$50,000	0.00
Governor's Recommendation	\$0	\$0	\$50,000	\$50,000	0.00

The agency requests an increase of **\$50,000** in **other fund** expenditure authority for the increased cost of legal services. SDRS uses external legal services for compliance issues regarding federal requirements. SDRS also needs to be prepared in the event of any legal action against the system.
The governor recommends this request.

6. Manager Succession Planning FTEs

	General	Federal	Other	Total	FTE
Agency Request	\$0	\$0	\$316,392	\$316,392	2.00
Governor's Recommendation	\$0	\$0	\$144,462	\$144,462	1.00

The agency requests an increase of **\$316,392** in **other fund** expenditure authority and an increase of **2.0** FTE for the creation of two succession-planning positions. Several members of the management team at SDRS are nearing retirement eligibility. These FTEs would be newly hired individuals working for a period of time alongside the retirement-eligible individual before that person retires.
The governor recommends an increase of \$144,462 in other fund expenditure authority and an increase of 1.0 FTE.

7. Postage

	General	Federal	Other	Total	FTE
Agency Request	\$0	\$0	\$10,000	\$10,000	0.00
<i>Governor's Recommendation</i>	<i>\$0</i>	<i>\$0</i>	<i>\$10,000</i>	<i>\$10,000</i>	<i>0.00</i>

The agency requests an increase of **\$10,000** in **other fund** expenditure authority for postage.

The governor recommends this request.

8. Publishing and printing

	General	Federal	Other	Total	FTE
Agency Request	\$0	\$0	\$5,000	\$5,000	0.00
<i>Governor's Recommendation</i>	<i>\$0</i>	<i>\$0</i>	<i>\$5,000</i>	<i>\$5,000</i>	<i>0.00</i>

The agency requests an increase of **\$5,000** in **other fund** expenditure authority for the increased cost of printed materials published by SDRS.

The governor recommends this request.

9. Software licenses

	General	Federal	Other	Total	FTE
Agency Request	\$0	\$0	\$12,000	\$12,000	0.00
<i>Governor's Recommendation</i>	<i>\$0</i>	<i>\$0</i>	<i>\$12,000</i>	<i>\$12,000</i>	<i>0.00</i>

The agency requests an increase of **\$12,000** in **other fund** expenditure authority for new software products, as well as increased costs for existing subscriptions. Alteryx enables SDRS to better understand and present data, and ProVal facilitates the production of actuarial valuations and projections.

The governor recommends this request.

10. Utility Cost Adjustment

	General	Federal	Other	Total	FTE
Agency Request	\$0	\$0	\$1,500	\$1,500	0.00
<i>Governor's Recommendation</i>	<i>\$0</i>	<i>\$0</i>	<i>\$1,500</i>	<i>\$1,500</i>	<i>0.00</i>

The agency requests an increase of **\$1,500** in **other fund** expenditure authority for increased cost of utilities.

The governor recommends this request.

Reversions and Unutilized FTE (2501)

	General	Federal	Other
Original Appropriation FY2023	\$0	\$0	\$5,084,786
Pool Distributions	\$0	\$0	\$179,495
Supplemental Changes	\$0	\$0	\$54,731
Agency Adjustments	\$0	\$0	\$0
Transfers	\$0	\$0	\$0
Reorganizations	\$0	\$0	\$0
Adjusted Appropriation FY2023	\$0	\$0	\$5,319,012
FY2023 Expenditures	\$0	\$0	\$4,912,556
Reversion of Authority	\$0	\$0	\$406,456
Unutilized FTE			0.6

Budget Request: South Dakota Retirement System (2501)

By Fund Category	FY 2022 Actual	FY 2023 Actual	FY 2023 Budget Revised	FY 2024 Budget	FY 2025 Agency Request	FY 2025 Governors Recommended	Change From FY2024
General	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Federal	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other	\$4,547,806	\$4,912,556	\$5,319,012	\$5,703,954	\$6,213,755	\$6,042,197	\$338,243
Total	\$4,547,806	\$4,912,556	\$5,319,012	\$5,703,954	\$6,213,755	\$6,042,197	\$338,243

By Program	FY 2022 Actual	FY 2023 Actual	FY 2023 Budget Revised	FY 2024 Budget	FY 2025 Agency Request	FY 2025 Governors Recommended	Change From FY2024
South Dakota Retirement System	\$4,547,806	\$4,912,556	\$5,319,012	\$5,703,954	\$6,213,755	\$6,042,197	\$338,243
Total	\$4,547,806	\$4,912,556	\$5,319,012	\$5,703,954	\$6,213,755	\$6,042,197	\$338,243

By Object Expenditure	FY 2022 Actual	FY 2023 Actual	FY 2023 Budget Revised	FY 2024 Budget	FY 2025 Agency Request	FY 2025 Governors Recommended	Change From FY2024
Personnel Costs	\$2,735,018	\$3,030,654	\$3,131,330	\$3,499,426	\$3,899,426	\$3,729,034	\$229,608
Salaries	\$2,179,681	\$2,396,009	\$2,455,666	\$2,724,357	\$3,045,957	\$2,905,494	\$181,137
Benefits	\$555,336	\$634,645	\$675,664	\$775,069	\$853,469	\$823,540	\$48,471
Operating Expenditures	\$1,812,788	\$1,881,902	\$2,187,682	\$2,204,528	\$2,314,329	\$2,313,163	\$108,635
Travel	\$61,740	\$61,465	\$101,539	\$101,539	\$101,539	\$101,539	\$0

Operating Expenditures	FY 2022 Actual	FY 2023 Actual	FY 2023 Budget Revised	FY 2024 Budget	FY 2025	FY 2025	Change From FY2024
					Agency Request	Governors Recommended	
Contractual Services	\$1,377,568	\$1,436,700	\$1,691,643	\$1,729,489	\$1,820,790	\$1,820,790	\$91,301
Supplies	\$348,645	\$325,189	\$355,000	\$355,000	\$370,000	\$370,000	\$15,000
Capital Outlay	\$24,835	\$58,548	\$39,500	\$18,500	\$22,000	\$20,834	\$2,334
Total	\$4,547,806	\$4,912,556	\$5,319,012	\$5,703,954	\$6,213,755	\$6,042,197	\$338,243
Full-Time Equivalent (FTE)	31.42	32.39	33.0	33.0	36.0	35.0	2.0

Funding Sources (Governor's Recommended)

	General	Federal	Other	General%	Federal%	Other%
S.D. RETIREMENT SYSTEM	\$0	\$0	\$6,042,197	0.0%	0.0%	100.0%

Revenues and Statistics: South Dakota Retirement System (2501)

Revenues	Actual FY 2022	Actual FY 2023	Estimated FY 2024	Estimated FY 2025
Contributions	\$286,000,000	\$307,500,000	\$316,000,000	\$323,000,000
Investment Income	(\$91,538,000)	\$825,000,000	\$936,000,000	\$975,000,000
Performance Indicators	Actual FY 2022	Actual FY 2023	Estimated FY 2024	Estimated FY 2025
Budget Compared to Assets	.04%	.04%	.04%	.04%
Budget Compared to Benefits	.80%	.74%	.78%	.80%
Budget Compared to Contributions	1.87%	1.73%	1.80%	1.92%
Members Per FTEs	3000	3030	3060	3090
Turnover Rate for FTEs - Managerial	0%	0%	0%	
Turnover Rate for FTEs - Nonmanagerial	0%	4%	6%	

Joint Committee on Appropriations
 FY 2025 Motion Sheet G2501

South Dakota Retirement System - South Dakota Retirement System

	Agency Request		Governor's Rec		FTE	JCA Recommended			
	General	Total	General	Total		General	Federal	Other	Total
1 FY 2025 Base Appropriation	\$0	\$5,703,954	\$0	\$5,703,954	33.0	\$0	\$0	\$5,703,954	\$5,703,954
2 Auditor FTE	\$0	\$87,108	\$0	\$87,480	0.0	\$0	\$0	\$87,480	\$87,480
3 Contract Inflation	\$0	\$7,801	\$0	\$7,801	0.0	\$0	\$0	\$7,801	\$7,801
4 External Actuarial Review Contract Inflation	\$0	\$10,000	\$0	\$10,000	0.0	\$0	\$0	\$10,000	\$10,000
5 External Benchmarking firm contract inflation	\$0	\$10,000	\$0	\$10,000	0.0	\$0	\$0	\$10,000	\$10,000
6 Legal Services Contract Inflation	\$0	\$50,000	\$0	\$50,000	0.0	\$0	\$0	\$50,000	\$50,000
7 Manager Succession Planning FTEs	\$0	\$316,392	\$0	\$144,462	0.0	\$0	\$0	\$144,462	\$144,462
8 Postage	\$0	\$10,000	\$0	\$10,000	0.0	\$0	\$0	\$10,000	\$10,000
9 Publishing and printing	\$0	\$5,000	\$0	\$5,000	0.0	\$0	\$0	\$5,000	\$5,000
10 Software licenses	\$0	\$12,000	\$0	\$12,000	0.0	\$0	\$0	\$12,000	\$12,000
11 TBD	\$0	\$0	\$0	\$0	2.0	\$0	\$0	\$0	\$0
12 Utility Cost Adjustment	\$0	\$1,500	\$0	\$1,500	0.0	\$0	\$0	\$1,500	\$1,500
13 FY 2025 Total	\$0	\$6,213,755	\$0	\$6,042,197	35.0	\$0	\$0	\$6,042,197	\$6,042,197
14 Change from FY 2024 Appropriation	\$0	\$509,801	\$0	\$338,243	2.0	\$0	\$0	\$338,243	\$338,243
15 % Change from FY 2024 Appropriation	0.0%	8.9%	0.0%	5.9%	6.1%	0.0%	0.0%	5.9%	5.9%

Budget Unit as displayed in the General Appropriations Act.

	GENERAL FUNDS	FEDERAL FUNDS	OTHER FUNDS	TOTAL FUNDS
16 South Dakota Retirement System				
17 Personal Services	\$0	\$0	\$3,729,034	\$3,729,034
18 Operating Expenses	\$0	\$0	\$2,313,163	\$2,313,163
19 Total	\$0	\$0	\$6,042,197	\$6,042,197
20 F.T.E				35.0

Governor's Recommended Budget

Budget History

FY 2024 Budget		General	Federal	Other	Total	FTE
		No Changes				
Totals		\$0	\$0	\$0	\$0	0.00
Session 2023 Supplemental and Special Appropriations		General	Federal	Other	Total	FTE
		No Changes				
Totals		\$0	\$0	\$0	\$0	0.00
FY 2023 Budget		General	Federal	Other	Total	FTE
		No Changes				
Totals		\$0	\$0	\$0	\$0	0.00
Session 2022 Supplemental and Special Appropriations		General	Federal	Other	Total	FTE
		No Changes				
Totals		\$0	\$0	\$0	\$0	0.00
FY 2022 Budget		General	Federal	Other	Total	FTE
Audio Visual & Security Upgrades		\$0	\$0	(\$47,000)	(\$47,000)	0.00
Totals		\$0	\$0	(\$47,000)	(\$47,000)	0.00
Session 2021 Supplemental and Special Appropriations		General	Federal	Other	Total	FTE
		No Changes				
Totals		\$0	\$0	\$0	\$0	0.00